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INFO WESTERN HEMISPHERIC AFFAIRS DIPL POSTS IMMEDIATE
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UNCLAS SECTION 01 OF 03 SANTIAGO 000029

SENSITIVE
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STATE FOR WHA/BSC, INR/B, WHA/EPSC
PENTAGON FOR OSD--MLENIHAN

E.O. 12958: N/A
TAGS: [PGOV](#) [CI](#)
SUBJECT: Chile's New Political Landscape

REF: 09 SANTIAGO 1234

11. (SBU) Summary: The election of Sebastian Pinera as the next Chilean president turns Chilean politics on its head. The political entities that were created before and during the transition from dictatorship to democracy--the center-left Concertacion coalition and the center-right Alianza--have had the same roles (Concertacion governing, Alianza opposing), and many of the same faces, for twenty years. Now both political groups are struggling to realign their parties, leadership, and alliances given voters' shifting preferences. End Summary.

The Left in Disarray: Party Leaders Resign...

12. (SBU) A week after their presidential defeat, Chile's center-left is trying to figure out what went wrong, who was to blame, and how to move forward. The Concertacion's two largest political parties, the Socialists and the Christian Democrats, are the targets of most of the finger pointing. Marco Enriquez-Ominami, Jorge Arrate, and Alejandro Navarro are all former Socialists who left the party and ran presidential campaigns which, to a greater or lesser degree, detracted from the Concertacion presidential bid. Some blame the exclusionary leadership style of Socialist party president Camilo Escalona for encouraging these defections. Political insiders are also raising questions about the future of the Christian Democrat party. Once the largest and most powerful party in Chile, this centrist party has lost much of its influence and many of its congressional seats in recent years.

13. (SBU) In reaction to Concertacion candidate Eduardo Frei's poor showing in the first round election on December 13 and his final defeat in the runoff election on January 17, the leaders of all four Concertacion parties have resigned (or offered to) in the last month. The presidents of the two smallest parties, the Party for Democracy (PPD) and Radical Social Democrats (PRSD) were the first to do so, stepping down on December 30 in reaction to Frei's poor performance in the first round election. Socialist party president Camilo Escalona, who remained at the helm despite many calls to resign following the disappointing first round election results, finally resigned on January 23, along with the rest of the Socialist party leadership. Christian Democrat president Juan Carlos Latorre offered his resignation on January 23, though his party's national council rejected his resignation.

...While Shifting Party Dynamics Open Possibilities for New Parties, Movements, and Leaders...

14. (SBU) Many progressives are talking about the need to "re-found" the Chilean center-left coalition. There are many theories about what form a new Chilean left could take, including:

--The creation of a more progressive political movement uniting Enriquez-Ominami's supporters with the two smaller Concertacion parties, the Party for Democracy (PPD) and Radical Social Democrats (PRSD), and perhaps even the Communists.

--The creation of a "secular left" to include the Socialists, Party for Democracy, Radical Social Democrats and possibly other elements on the left, but without the religiously-based Christian Democrats.

--A smaller Christian Democrat party, that may be excluded from new, more progressive groupings and could even find common cause with the conservative Alianza coalition at times.

--A split in the Socialist party, with those loyal to Camilo Escalona heading up one camp and those who support Ricardo Lagos leading another.

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--"Re-founding" the big umbrella center-left movement, but with a renewal process that will open up leadership positions to the next generation of center-left politicians and codify open primaries to select presidential candidates.

...and the Smallest Concertacion Party Makes and Quickly Aborts a Pact with Alianza

15. (SBU) Meanwhile, on January 21, the leadership of two small parties with roots in Chile's center-left formed a surprising pact with the Alianza coalition that left Concertacionistas dumbfounded. Neither the Alianza nor the Concertacion coalition had a majority in the 120-member Chamber of Deputies, but the Alianza had a plurality--58 seats to the Concertacion's 54 (reftel). Nonetheless, many of the remaining eight deputies had ties to the left, and so were expected to back the Concertacion much of the time, including in the designation of parliamentary leadership. In the surprising agreement -- which was later aborted -- the smallest party in the Concertacion, the Radical Social Democrats (PRSD), would have shared power over the Chamber with the Alianza and another small party, the Independent Regional Party (PRI). The agreement would have guaranteed the Alianza the right to lead the Chamber of Deputies for three out of the next four years (two years for the hard-right UDI party and one year for the center-right RN party), while the PRI, a small, centrist party made up of defectors from the Christian Democrats, would lead the Chamber for one year. In return, a PRSD deputy would have served as vice president for three of the next four years.

16. (SBU) Progressive leaders, including many members of the PRSD party, were shocked by the deal. Christian Democrat deputy Pablo Lorenzini described the deal as "treachery" and called for President Bachelet to immediately eject the PRSD from the Concertacion. The vice president of the Party for Democracy derided the action as "collaborationism with the right" and said that it signaled that the PRSD had lost its ethical footing. The negative reaction within the PRSD was just as strong and, just

eight hours after the deal was announced, it was aborted and the president of the PRSD, Fernando Meza resigned. Meza had led the party for just 23 days. Jose Antonio Gomez, Meza's predecessor, re-assumed the presidency. (Comment: Although the PRI also has its roots in the Concertacion, their participation in the agreement was less surprising and drew fewer comments. PRI politicians had already signaled their political independence by leaving the Concertacion, and are often regarded as motivated more by their individual political careers than by allegiance to a political ideology. At this time, it is not clear if the Alianza/PRI agreement without the PRSD has enough votes to secure the leadership positions, although there are several independents who might support the agreement. End Comment.)

Who Will Lead the Left?

17. (SBU) There is also likely to be a battle over who will be "the face of the new opposition left," with President Bachelet and former president Ricardo Lagos likely contenders. In a speech delivered immediately after Frei's concession speech -- and from the same podium -- Lagos defended the Concertacion's achievements, called for the left to open its leadership positions up to younger politicians, and then declared that he was "available to help construct a new Chile." After being criticized for what one commentator termed "excessive protagonism," Lagos backed away from his speech and said that his intentions were never to assert his leadership over the Concertacion, but many remain unconvinced. Meanwhile, President Bachelet has been more circumspect about her future plans, but many believe that she will retain a large role in Chile's center-left and is likely to run for president in 2014.

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On the Right, Even the Winners Face Possible Party Fractures

18. (SBU) Despite their electoral success, the right faces political fractures as well, conservative analyst Jose Miguel Izquierdo told Poloffs January 21. Pinera successfully moved Alianza further to the center, which was critical in winning the election, but this creates an existential crisis for the staunchly conservative Democratic Union Party (UDI). The UDI is, by some measures, the country's largest political party, controlling a full third of seats in Congress, more than any other party. Some politicians--such as Jose Antonio Kast, Rodrigo Alvarez, and Felipe Ward--still cling to the very conservative Catholic vision of UDI founder Jaime Guzman. Nonetheless, Izquierdo argues that the majority of the party has become more centrist, pragmatic, and secular, accepting Pinera's more moderate positions on civil unions for homosexual couples and the "day after" contraceptive pill, which are rejected by UDI traditionalists. It is unclear how Chile's most conservative political leaders will react to their party evolving away from its founder's ideals and towards pragmatism and political moderation.

19. (SBU) Another large challenge for the center-right will be staffing government positions and then, of course, implementing its agenda. Maintaining balance between the various elements of his coalition and (possibly) retaining some experienced second-tier officials from the current government could create tensions for Pinera. Defining policy priorities and the inevitable compromises that are part of governing could be another source of tension. Part of the center-right's success in this election was its impressive unity behind Pinera, but that could be tested as it moves on to governing.

¶10. (SBU) Comment: Chilean politics, and especially the Concertacion, has often been described in recent years as stale, boring, and inflexible. Despite frequent public conversations about how to renew and refresh the political system, include younger leaders in prominent roles, encourage young people to vote, and battle small-scale corruption, the political system seemed to be frozen in place. Pinera's election has shattered this calcified system. Change is coming, though what form it will take is not yet clear. End Comment.

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